WEF Meet at Davos

2488. SHRI C.M. IBRAHIM : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether as indicated by the Union Finance Minister at the recent Davos meet of WEF, Government have identified different sectors of foreign investment which will no longer be subject to Government approval;

(b) if so, the details thereof; and

(c) the extent of foreign investments in these sectors during 1997-98, 1998-99 and 1999-2000 and that expected during 2000-2001 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN) : (a) and (b) Government, in its commitment towards economic reforms, have further liberalised the Foreign Direct Investment (FDI) regime thereby placing all items/activities under the automatic route for Foreign Direct Investment (FDI), Non-Resident Indians (NRI) and Overseas Corporate Body (OCB) investment except the following :—

1. All proposals that require an Industrial Licence which include (i) the item requiring an Industrial Licence under the Industries (Development and Regulation) Act, 1951; (ii) foreign investment being more than 24% in the equity capital of units manufacturing items reserved for small scale industries, and (iii) all items which require an Industrial Licence in terms of the locational policy notified by Government under the new industrial Policy of 1991.

2. All proposals in which the foreign collaborator has a previous venture/tie-up in India. The modalities prescribed in Press Note No. 18 dated 14-12-1998 of 1998 series, shall apply in such cases.

3. All proposals relating to acquisition of shares in an existing Indian company in favour of a foreign/NRI/OCB Investor.

4. All proposals falling outside notified sectoral policy/caps or under sectors in which FDI is not permitted and/or whenever any investor chooses to make an application to the FIPB and not to avail of the authomatic route.

All proposals for investment in public sector units as also for EOU/EPZ/EHTP/STP units also qualify for automatic route subject to above parameters.

(c) A statement of FDI approved, sector-wise, during the year 1997, 1998 and 1999 is enclosed (*see* below). Government expects higher FDI inflows during the year 2000 in the light of recent liberalisation of FDI regime.

STATEMENT

Sector-wise/year-wise break-up of FDI approved

(Amount Rs. in Crore)

Sector Name	1997	1998	1999
METALLURGICAL INDUSTRIES	2516.72	2219.84	1400.15
FUELS (Power and Oil Refinery)	26432.61	13891.77	5673.47
BOILERS AND STEAM GENERATING PLANTS	6.65	1.38	28.64
PRIME MOVERS OTHER THAN ELECTRICAL	12.89	25.00	0.40
ELECTRICALS EQUIPMENT	2192.99	1427.49	2546.85
TELECOMMUNICATIONS	7185.60	3100.13	3901.78
TRANSPORTATION INDUSTRY	3790.07	1562.88	6223.70
INDUSTRIAL MACHINERY	218.18	108.09	269.42
MACHINE TOOLS	128.01	14.36	97.22
AGRICULTURAL MACHINERY	0.00	216.34	0.73
EARTH-MOVING MACHINERY	69.98	0.39	1.85
MISCELLANEOUS MECHANICAL & ENGINEERING	383.32	189.27	275.30
COMMERCIAL, OFFICE & HOUSE-HOLD EQUIPMENT	252.31	280.80	85.33
MEDICAL AND SURGICAL APPLIANCES	42.47	25.85	3.84
INDUSTRIAL INSTRUMENTS	11.80	0.91	4.94
SCIENTIFIC INSTRUMENTS	11.77	1.14	0.30

Sector Name	1987	1998	1999
MATHEMATICAL, SURVEYING AND	0.25	38.00	0.00
DRAWING FERTILIZERS	1.20	0.00	0.00
CHEMICALS (OTHER THAN FERTILIZERS)	2827.18	1813.73	810.41
PHOTOGRAPHIC RAW FILM AND PAPER	196.27	0.00	8.33
DYE-STUFFS	2.89	73.59	4.50
DRUGS AND PHARMACEUTICALS	182.89	91.14	79.78
TEXTILES (INCLUD. DYED, PRINTED)	595.32	232.55	322.76
PAPER AND PULP INCLUDING PAPER PRODUCT	684.68	107.12	685.77
SUGAR	934.00	0.00	0.00
FERMENTATION INDUSTRIES	253.67	0.51	2.22
FOOD PROCESSING INDUSTRIES	1926.93	632.54	141.42
VEGETABLE OILS AND VANASPATI	145.29	0.85	48.30
SOAPS, COSMETICS AND TOILET PREPARATIONS	145.03	60.55	1.24
RUBBER GOODS	45.83	551.25	123.71
LEATHER, LEATHER GOODS AND PICKERS	59.06	48.83	26.56
GLUE AND GELATIN	0.00	0.00	1.20
GLASS	466.34	192.93	425.33
CERAMICS	124.59	93.58	68.09
CEMENT AND GYPSUM PRODUCTS	59.13	89.59	681.06
TIMBER PRODUCTS	6.72	0.73	0.00
DEFENCE INDUSTRIES	3.47	0.00	0.00
CONSULTANCY SERVICES	369.37	636.22	253.62
SERVICE SECTOR	1436.90	1697.12	2287.90
HOTEL & TOURISM	728.11	480.52	784.49
TRADING	119.36	685.11	238.28
MISCELLANEOUS INDUSTRIES	321.50	221.40	857.63
GRAND TOTAL :	54891.34	30813.50	28366.55